

VZCZCXR07854  
PP RUEHIK  
DE RUEHAA #1672 3641014  
ZNR UUUUU ZZH  
P 301014Z DEC 09  
FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC 3980  
INFO RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE  
RUCNCIS/CIS COLLECTIVE  
RUCNMEM/EU MEMBER STATES COLLECTIVE  
RUEHAK/AMEMBASSY ANKARA 6057  
RUEHBJ/AMEMBASSY BEIJING 3751  
RUEHKO/AMEMBASSY TOKYO 3610  
RUEHIT/AMCONSUL ISTANBUL 4299  
RUCNDT/USMISSION USUN NEW YORK 1357  
RHMCSSU/CDR USCENTCOM MACDILL AFB FL  
RUEHVEN/USMISSION USOSCE 4236  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RHEHNSC/NSC WASHDC  
RUEKJCS/SECDEF WASHDC  
RUEKJCS/JOINT STAFF WASHDC

UNCLAS ASHGABAT 001672

SENSITIVE

SIPDIS

STATE FOR SCA/CEN; EEB  
ENERGY FOR EKIMOFF/BURPOE/COHEN  
COMMERCE FOR EHOUSE/DSTARKS

E.O. 12958: N/A

TAGS: [EPET](#) [PGOV](#) [EINV](#) [EFIN](#) [TX](#)

SUBJECT: TURKMENISTAN: A BILLION DOLLAR LOAN FROM IDB

REF: ASHGABAT 1627

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) Turkmen media reported last week that the Turkmen Government is in the process of preparing loan agreements with the Islamic Development Bank (IDB) to finance nine projects totaling \$950 million. The IDB will provide loans for projects for a period of 20-25 years. The Turkmen Government has plans to sign the loan agreements in the beginning of ¶2010.

¶3. (SBU) The \$950 million will include not only IDB funds, but also funds provided to the IDB by the Saudi Development Fund, Kuwait Fund for Arab Economic Development, OPEC Fund for International Development, and Abu-Dhabi Development Fund for the purpose of financing the above-mentioned projects. These organizations formed a special Coordination Group that considered and approved the projects at a roundtable meeting held December 17-18, 2009 in Ashgabat. Although there are several organizations providing funds, the IDB will sign the loan agreements and coordinate all subsequent loan-related activities.

¶4. (SBU) The nine projects that will be financed through IDB-funding are: reconstruction of the Turkmenistan - Kazakhstan highway, creation of telecommunication systems along the Ashgabat - Dashoguz and Bereket - Uzen (Kazakhstan) railroads, construction of a new runway at the Turkmenabat airport, development of the Yashan underground fresh water reservoir in the Balkan province, Western Turkmenistan, construction of a new health resort in Mollagara located in the Balkan province, construction of a new dental center in Ashgabat, and financing of small and medium businesses throughout the country. The total amount of this loan package exceeds the amount of all previous IDB-financed projects in the country, since 1994, when Turkmenistan started cooperating with the IDB.

¶5. (SBU) COMMENT: This IDB loan will bring the total amount

of foreign loans taken by the Turkmen Government to more than \$5 billion, a record amount for the country. The IDB also becomes Turkmenistan's second largest lender; the largest lender is the Chinese Government with more than \$4 billion loans to Turkmenistan (reftel). The increased foreign borrowing is likely due to the decline in hard currency reserves that the country incurred when Russia stopped buying Turkmen gas in April 2009. END COMMENT.

CURRAN